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DE RUEHLB #0899 2221431
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FM AMEMBASSY BEIRUT
TO RUEHC/SECSTATE WASHDC PRIORITY 5505
INFO RUEHEE/ARAB LEAGUE COLLECTIVE
RUEHFR/AMEMBASSY PARIS 3522
RUCPDO/DEPT OF COMMERCE WASHDC
RUCNDT/USMISSION USUN NEW YORK 4053
RUEATRS/DEPT OF TREASURY WASHDC
RHEHAAA/NSC WASHDC

UNCLAS BEIRUT 000899

SIPDIS
SENSITIVE

DEPT FOR NEA/FO, NEA/ELA
ALSO FOR EEB/IFD/OMA BSAUNDERS AND EEB/IFD/ODF RDEMARCELLUS
F FOR RNAPOLI
IO FOR A/S BRIMMER
P FOR DRUSSELL, RRANGASWAMY
DRL/NESA FOR WHITMAN, BARGHOUT
STATE PASS TO USAID ESCOTT
TREASURY FOR SAHERN AND CKNOWLES
COMMERCE FOR CLOUSTOUNAU/TSAMS/NWIEGLER
PARIS FOR JMILLER
USUN FOR WOLFF/GERMAIN/SCHEDLBAUER
NSC FOR SHAPIRO/MCDERMOTT
OVP FOR HMUSTAFA

E.O. 12958: N/A
TAGS: [EAID](#) [ECON](#) [EFIN](#) [PREL](#) [LE](#)
SUBJECT: ENCOURAGING CENTRAL GOVERNMENT BUDGET TRANSPARENCY

REF: STATE 81177

¶1. (SBU) The Ambassador delivered reftel demarche to caretaker Finance Minister Mohammad Chatah on August 7. Chatah responded that budget transparency was one of his ministry's top priorities, as evidenced by its commitment to a \$4 million World Bank assistance program to improve Lebanon's budget process. He said he expected the Bank to fund one or two resident advisors at the ministry to focus exclusively on the budget and push for reform on the spending side.

¶2. (SBU) Nonetheless, Chatah acknowledged that Lebanon's budget does not include all government spending. Of the \$4 billion deficit Lebanon will run in 2009, he said, only \$3 billion would be budgetary spending, while the other \$1 billion would fund off-budget expenditures, as a result of legislation passed by parliament authorizing additional outlays. He stressed, however, that the ministry had worked hard in recent years to bring more spending into the budget, and he looked forward to a new IMF/World Bank assessment of the Lebanese budgetary process, which he hoped would show improvement from the last report done in 2004.

¶3. (SBU) Chatah offered to have his staff send the Embassy a non-paper outlining the state of budget transparency in Lebanon and recent steps taken to address it. Post will forward this document to Washington when we receive it.
SISON